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ABSTRACT

A study funded by the Southern Education Foundation had as its purpose to identify, describe, and assess: (1) the costs of education to United Negro College Fund (UNCF) students in 1975-76; (2) the resources available to meet those costs; (3) the need for additional aid resources; and (4) some major relationships among college costs, financial aid policies, institutional finance, and student access to UNCF colleges. All of the 41 UNCF colleges and universities are fully accredited, private, predominantly black institutions. Students were randomly surveyed with the Student Resource Survey, a data collection and analysis system developed by the College Entrance Examination Board. Information was compiled in 11 areas: (1) personal and academic characteristics; (2) why students attend UNCF colleges; (3) UNCF college characteristics that are important to the students; (4) student expense budgets; (5) scholarships and grants; (6) loans; (7) student employment during the term; (8) total aid and unmet needs; (9) total resources available; (10) financial aid and institutional finance; and (11) the federal cost of education payments to colleges. (MSE)

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Research Report

VOL. II, NO. 1 JUNE, 1977 FROM THE UNITED NEGRO COLLEGE FUND

THE WAYS AND MEANS: A STUDY OF THE NEEDS AND RESOURCES OF STUDENTS ENROLLED IN UNITED NEGRO COLLEGE FUND MEMBER INSTITUTIONS

by

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Introduction

Private black colleges continue to serve a vital role in the education of black students. The students are attracted to these colleges by the schools' quality academic reputations, their geographic locations, their intimate sizes, their ability to elevate educationally and economically disadvantaged youth, and their generous offers of financial aid. But primary amongst these consideration is the attraction of a college which is historically and culturally black.

The costs of providing instruction and other services to students attending private black colleges are rising at a rate which threatens the ability of the colleges to provide financial access to many of the students they have traditionally served. It has become increasingly necessary to ask students to pay greater proportions of their educational costs, at the risk of denying many the access to the education they desire and deserve.

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This report summarizes the results of a study funded by the Southern Education Foundation to identify, describe, and assess: (1) the costs of education to United Negro College Fund (UNCF) students in 1975-76; (2) the resources which were available to meet those costs; (3) the need for additional aid resources; and (4) some major relationships among college costs, financial aid policies, institutional finance, and student access to UNCF colleges.

All of the forty-one colleges and universities comprising the United Negro College Fund member institutions are fully-accredited, private, predominantly black institutions. They enroll some 50,000 students. In all, a random selection of 3,464 students were surveyed and 1,228 returned useable responses. Since the responses correspond to data available from other sources, it is likely that the sample is representative of UNCF students as a group.

The basic survey instrument used was the Student Resource Survey (SRS), a data collection and analysis system developed by the College Entrance Examination Board to assist institutions and agencies in studies of the methods students use to finance the costs of postsecondary education.

Personal and Academic Characteristics

To place the analysis in perspective, some salient characteristics of the students were surveyed, together with their reasons for attending their colleges.

For the most part, UNCF students are about the same age (74% are under 22) and have marital statuses (92% have never been married) similar to those of students at other private colleges.

UNCF students' academic and career interests are not substantially different from those of other private college students, but UNCF students appear to have higher educational aspirations -- over 72% plan to obtain post-baccalaureate degrees compared with 64% for other private college students.[1]

The two most popular curricular areas of the survey respondents were business administration (21.1%) and humanities/social sciences (22.0%) followed by education (18.3%) and health professions (11.3%).

TABLE I

Academic Program

Business Administration	21.1%
Humanities or Social Sciences	22.0
Physical and Life Sciences	8.7
Engineering, Architecture	3.1
Education	18.3
Health Professions	11.3
Law	4.0

The average high school grade of all respondents was 2.96 (where 4.0 equals all "A's"). About two in ten (19.9%) reported that their grades were "mostly 'A's,"

[1] Commission on Financial Postsecondary Education, The Needs and Resources of Undergraduate Students in Postsecondary Education in the State of New Jersey, 1974-75, (State of New Jersey, 1975), Appendix C, Table 15.

six in 10 (57.0%) reported "mostly 'B's," and about two in ten (22.4) reported grades of "mostly 'C's."

The mean college grade point average of the respondents was 2.8; or slightly below a "B," and roughly equivalent to the 3.0 mean for other private college students.[2]

Why Students Attend UNCF Colleges

UNCF students were asked their most important reasons for attending UNCF colleges. The most frequently given response was that they especially wanted to attend a predominantly black college. Nearly six out of ten students (57.1%) gave this as one of their three most important reasons.

The second-ranking reason for attendance was the colleges' academic reputation (38.3%), while the financial aid that the students could receive (35%) ranked as the third most important reason.

In short UNCF students choose their colleges because they want to attend a predominantly black school, perceive their colleges as having good academic reputations, and receive enough financial aid to implement their choices of institutions.

TABLE II

Percent of Respondents Identifying Different Reasons as Important in Choosing Their College

Attend a Black College	57.1%
Academic Reputation	38.3
Financial Aid	35.0
Parental Preference	27.3
Curriculum	24.2
Counselor or Teacher Influence	15.4
College Representative Influence	14.2
Religious Affiliation	11.6
Influence of Friends	7.1
Only Admitted Here	4.8

Alternative Institutional Choices

The students were asked which type of institution they would most like to attend if paying for their education was not a problem. More than four out of five of the students (84.7%) said they would still like to attend a predominantly black college. Only 15.3% of the students indicated that they would most like to attend a predominantly white college or some other type of postsecondary education.

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2 Ibid., Appendix C, Table II.

TABLE III

Responses to "If Paying For Your Educational Expenses Was Not a Problem, Which of These Types of Institutions Would You Most Like to Attend?"

Where I Am Enrolled	47.6%
Another Black Private College	20.8
A Black Public College	16.3
A White Public College	5.8
A White Private College	3.9
A Community College	1.4
Another Postsecondary Institution	4.2

UNCF College Characteristics Which Are Important to Students

The students were asked to indicate which characteristics about their current colleges were most important to them. Nearly six out of every ten students (59.1%) responded that preparation they were receiving for their intended occupations was important to them while almost half (47.8%) indicated the preparation they were receiving for graduate study was the key factor in their current educational experience. One-third (34.3%) indicated that class size was important and 28.7% indicated the interest of professors in the students was a primary consideration. Special study assistance was only slightly less frequently cited as important (25.9%).

The colleges' curricula (or more precisely that the curricula is perceived as preparing students for intended occupations or graduate school), the setting in which that curricula is imparted (small class sizes), and the persons who impart the curricula (professors who show interest in the success of students) are the characteristics of UNCF colleges which are most important to the students.

TABLE IV

Percent of Respondents Identifying Characteristics of College As Important In Weighted Rank Importance Sequence

Preparation for Occupation	59.1%
Preparation for Graduate School	47.8
Class Size	34.3
Interested Professors	28.4
Special Assistance	25.9
Extracurricular Activities	12.2
Religious Atmosphere	8.7

Student Expense Budgets

The first step in evaluating the adequacy of resources available to students attending the UNCF institutions is to determine the real expenses of the students. The average expenditure for all direct and indirect expenses by the UNCF respondents

was $3,331. The same Student Resource Survey (SRS) administered to a reference group of students attending private, predominantly white colleges found total direct and indirect expenses to be $4,443.[3]

The differences are accounted for by the tuition and fee charges (an average of $2,410 in the SRS reference group and $1,718 in the UNCF institutions) and expenditures for room and board ($1,292 in the SRS group and $872 in the UNCF group). Through subsidization of tuition and fees and provision of room and board, the UNCF institutions make it less expensive for their students to attend.

TABLE V

Comparison of Budget Estimates
for Different Groups

Expenditure	SRS Average	UNCF Average
Books and Supplies	$ 157	$ 166
Room and Board	1,292	872
Transportation	234	234
Clothing & Recreation	350	341
Tuition and Fees	2,410	1,718
Total Budgets	$4,443	$3,331

Family Contribution to Educational Expenses

The major difference between UNCF students and those at other private colleges is in their families' ability to pay for their educational costs. The median family income of the UNCF students is only $6,815, or less than 40.4% of the median family income of students at predominantly white private colleges ($16,879). As a consequence of their significantly lower incomes, parents of UNCF students contributed an average of only $506 to their children's college costs, only one-third of the average contribution made by the parents of students at other four-year private colleges.

TABLE VI

Parental Contribution & Income
For Different Student Groups

Group	Mean Parental Contribution	Mean Parental Income
All UNCF Respondents	$ 506	$ 6,815
SRS Reference Group	1,538	16,879

3 The Student Resource Survey (SRS) reference group consists of survey results from 7,542 full-time undergraduates at 133 predominantly white, four-year, private colleges in the states of California, New Jersey and Pennsylvania.

In spite of their limited incomes, UNCF students' parents contributed about 23% more, on the average, than would be expected by the contribution standards of the College Scholarship Service (CSS). Even more significantly, according to CSS standards, more than two-thirds of the parents (67.7%) would be expected to make no contribution at all when in fact only about one-quarter (26.2%) actually failed to provide any support for their children.

The mean amounts earned by UNCF students and other private college students during summer employment were $439 and $795. The respective average savings reported by UNCF and other private college students were $112 and $397.

Savings represented 25.5% of the UNCF students' average summer earnings but almost 50% of the summer earnings of other private college students. Perhaps more of UNCF students had to use their earnings to help support their families, as nearly 22% come from families with annual incomes below $3,000.

While the average annual student expense budget at UNCF institutions totaled $3,331, the average amount actually paid by each student and his family was only $657 per year.

The average family (including parents, students, etc.) contribution to the total expenses of a UNCF student defrays only about one-fifth (19.7%) of the student's expense budget. The contributions made by the families of students at predominantly white private colleges meet nearly half (45.1%) of the student's annual budget.

The typical UNCF student must obtain 80.3% of his total income from financial aid sources compared with the SRS reference group which must receive 54.9% of the expenses from financial aid. In spite of the fact that their costs are 25% lower than the costs of other private college students, the UNCF students' average financial need is about 10% greater, $2,674 as compared to $2,437.

TABLE VII

Calculation of Financial Need

	SRS Average	UNCF Average
Parental Contribution	$ 1,538	$ 506
Spouse Contribution	71	39
Personal Savings	397	112
Total Family Contribution	$ 2,006	$ 657
Typical Budget	4,443	3,331
Financial Need	$ 2,437	$2,674

Availability of Student Financial Aid

More than nine out of ten UNCF students (92.8%) reported that they had applied for aid from their current colleges. Over 95% of the students who applied for aid said they received assistance. Only 62% of the other private college students applied for

aid, and only 84% of the applicants reported receiving aid from the colleges.

Among the UNCF students with family incomes less than $6,000, only 2.5% said they had not applied for aid. In the SRS reference group, 15% of the students from families with incomes of less than $6,000 had not applied for aid - an indication that information about aid availability may be much more prevalent among UNCF students than among students enrolled in predominantly white private colleges.

Because of their higher family incomes, it was expected that fewer students at predominantly white private colleges would receive aid. However, when family incomes are held constant among both groups, UNCF students at all family income levels are more likely to apply for and receive aid from their colleges. That the UNCF students were more likely to receive aid than the reference group students is not particularly surprising in view of the fact that 35% of UNCF students listed financial aid as one of the three most important reasons for attending their colleges.

TABLE VIII

Percent Recipients of
Student Financial Aid As
Reported by UNCF and SRS Reference
Group Students

Family Income Group	% Grant Recipients		% Loan Recipients	
	UNCF	SRS	UNCF	SRS
Less than $6,000	86.5%	78.1%	50.6%	47.1%
$ 6,000 to 8,999	87.5	82.3	45.7	47.9
9,000 to 11,999	83.2	77.6	48.4	48.7
12,000 to 14,999	76.5	71.2	54.1	50.4
15,000 to 17,999	80.0	62.6	62.0	47.5

Scholarships and Grants

UNCF students were much more likely than other private college students to receive a federal Basic Educational Opportunity Grant award (59.2% as compared to 13.9%), less likely to report receiving a state scholarship or grant (16.2% as compared to 26.5%),[4] more likely to report receiving a federal Supplementary Educational Opportunity Grant award (28.1% as compared to 5.2%) and about equally likely to report receiving a grant directly from their institutions (26.5% and 26.8%, respectively).

While benefits from such programs as Social Security, Veterans, Vocational Rehabilitation, etc., are not strictly "scholarships," they are resources which are available from outside the family to some students enrolled in postsecondary education. UNCF students were more likely to report receiving educational benefits than students at the private, predominantly white colleges in the SRS reference group (19.7% as compared to 12.2%).

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4 The three states in which the SRS norms group students were attending college have scholarship programs which are significantly larger than those of the majority of states, thus inflating the norms group with regard to state scholarships.

TABLE IX

Percent of UNCF and SRS Reference Group Recipients From Various Scholarship and Grant Programs

	% Grant Recipients	
	UNCF	SRS
Basic Educational Opportunity Grant	59.2%	13.9%
Supplementary Educational Opportunity Grant	28.1	5.2
State Scholarship	16.2	26.5
Institutional Scholarships	26.5	26.8
Educational Benefits	19.7	12.2

Loans

UNCF students were much more likely than other private college students to report receiving a long-term loan during the year (48.9% as compared to 36.4%).

There were also differences in the sources of loans. While 35.7% of the UNCF students reported National Direct Student Loan Program loans, only 16.5% of the other private college students reported loans of this type. However, 17.1% of the other private college students reported receipt of Federally Insured Student Loans or state-guaranteed loans, while only 9.6% of UNCF students had loans from these sources. This would suggest that UNCF students are more likely to turn to their institutions for aid (or conversely, to be offered aid) than are the students at the predominantly white private colleges represented in the SRS reference group.

TABLE X

Percent of UNCF and SRS Reference Group Recipients From Various Loan Programs

	% Loan Recipients	
	UNCF	SRS
National Defense Student Loan	35.9	16.5%
Federally Insured Student Loan	9.6	17.1

Term Time Employment

UNCF students and other private college students were equally likely to report term time employment earnings, 61% of both groups reporting this source of financial aid. Apparently term time employment opportunities are equally available at the UNCF and predominantly white private colleges.

Total Aid and Unmet Need

When scholarships, grants, educational benefits, loans, and income from term

time employment are combined, the respondents in the UNCF group had financial aid in the average total amount of $2,223 -- but when that aid was compared with their financial need ($2,674 - as reported earlier) an unmet need gap of $451 remained. This means that students were unable to account for how they met (or will meet if they were reporting their anticipated resources for the coming year) nearly 14% of their total expense budget. Many would have to reduce their spending by this amount or seek new sources of revenue such as increased term time employment in order to balance their budgets.

TABLE XI

Calculation of Unmet Financial Need for UNCF Respondents

Source of Aid	Averages for All Respondents in Group
Grants/Scholarships	$ 1,183
Educational Benefits	152
Loans	439
Term Time Employment	449
Total Aid	$ 2,223
Less Financial Need	2,674
Unmet Need	$ 451
Percent of Budget Unmet	13.5%

Total Resources Available

While the educational costs of students in the SRS reference group (students at predominantly white private colleges) are about 33.4% greater than those reported by UNCF students (See Table V), their average total resources are 36.3% greater, $3,924 as compared to $2,880.

The UNCF students' total resources amount to 86.5% of their average budgets; the resources of students at predominantly white colleges represent 88.4% of their average budgets.

One major difference in total resources is that the family contributions of students at predominantly white colleges represent 51% of their total resources but only 22.8% of the total resources of the UNCF students. In average dollar amounts, the SRS reference group students received $2,006 in family contributions; the UNCF students only $657.

TABLE XII

Total Resources for UNCF and SRS Reference Group Students

	UNCF Group	SRS Group
Average Total Resources	$ 2,880	$3,924
From Parental/Spouse Contribution	545	1,609

TABLE XII (cont'd)

Total Resources for UNCF and
SRS Reference Group Students

	UNCF Group	SRS Group
Percentage	(18.9%)	(40.9%)
Self-help Contribution	$ 1,000	$ 1,303
Percentage	(34.7%)	(33.2%)
Financial Aid Contribution	1,335	1,017
Percentage	(46.4%)	(25.9%)

Financial Aid and Institutional Finance

The major components of educational costs at private institutions are tuition and fees. At UNCF colleges charges for tuition and fees are considerably less than those paid by students at predominantly white private colleges (see section on Student Expense Budgets). There is a good reason that UNCF college tuition costs are lower -- the students who want to enroll at these colleges typically cannot afford to pay higher costs.

Maintaining low tuitions places the UNCF colleges at a disadvantage when it comes to obtaining revenues to balance their budgets. The lack of tuition revenues is a principal reason many of these colleges are in financial difficulty. In 1974-75, for example, 19 of the 39 undergraduate UNCF colleges expended more monies than they obtained from current general revenues.[5]

The UNCF colleges receive a much smaller percentage of institutional revenues from tuition and fees than do predominantly white private colleges. In 1972-73, the most recent year for which the most complete national and UNCF data are available, tuition revenues at the UNCF undergraduate colleges represented only 28.4% of all institutional revenues. Tuition revenues at all private four-year colleges in that year accounted for 43.6% of their total institutional income.

When tuitions are weighted by 1975-76 enrollments at each UNCF college, the weighted average increase in tuition necessary to achieve the 43.6% level among all UNCF colleges is $818. Added to the current weighted average tuition ($1,550), this increase would bring the total to $2,368, 1.7% less than the average tuition among the reference group students, $2,410. However, since most UNCF students do not have enough financial resources to meet their current college costs a tuition increase of this magnitude would almost certainly have a disastrous impact on access to UNCF colleges -- in the absence of increased financial aid.

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5 Alan Kirschner, Annual Statistical Report of the Member Institutions, 1976 (New York: United Negro College Fund, 1977).

TABLE XIII

Percentage Revenues By Source
UNCF Colleges and All Four-year Private Colleges
1972-73

Sources	UNCF Colleges	Private Four-Year Colleges
Tuition and Fees	28.4%	43.6%
Federal Appropriations	24.7	6.7
State Appropriations	1.1	2.0
Local Government Appropriations	0.0	0.6
Endowment Income	2.9	4.7
Other Non-Governmental Services	20.7	11.3
Auxiliary Services	17.6	26.3
Other Sources	4.6	4.8
	100.0%	100.0%
Average Tuition Revenues	$1,219	$1,816
Tuition as Percent of Expenditures	49.0%	72.4%

SOURCE:
Mertins, Paul F. et al, Financial Statistics of Higher Education: Current Funds, Revenues and Expenditures - 1972-73, (Washington: U.S. Government Printing Office), 1976; and "HEGIS Financial Statistics of Institutions of Higher Education for Fiscal Year Ending 1973" U.S. Office of Education, Washington, D. C.

Federal appropriations represent a significantly larger percentage of UNCF colleges' revenues than for all private colleges (24.7% as compared to 6.7%) However, over 34% of the federal appropriations at UNCF colleges (but only 22% at all private colleges) went directly to students in the form of grants.

As in the case of total revenues, smaller percentages of the UNCF colleges' total expenditures are defrayed by tuition revenues. In 1972-73 tuition revenues at UNCF colleges amounted to only 49.0% of the money spent on all educational and general expenditures, compared to meeting 72.4% of the expenditures at private, predominantly white colleges.

Although the UNCF colleges receive greater percentages of their total revenues from Federal appropriations and non-governmental sources than do other private colleges, it is clear that those resources are greatly needed in order to maintain per student expenditure rates equivalent to those of other private colleges. Without substantial support from these two sources, it would be impossible for the UNCF colleges to maintain their academic programs and continue to enroll the financially handicapped and otherwise disadvantaged students they have historically served. The students and their parents cannot be expected to pay greater amounts of tuition. The vast majority simply do not have access to resources to meet current education costs.

Federal Cost of Education Payments

Implementation of a fully-funded Cost of Education Payment Program as legislated in Title X of the Higher Education Amendments of 1972 would provide direct monetary payments to colleges in accordance with their numbers of enrolled students who receive Basic Grants.

Such a program of payments would have provided UNCF colleges with an average per student payment of $607 in this past year. If $607 were added to the $1,219 average tuition revenue figures reported in 1972-73, the total amount would have met 73.5% of the student related costs of UNCF colleges. This amount would be comparable to the 72.4% of costs met by tuition alone at predominantly white, four-year private colleges.

Another potentially significant impact would be an increase in ability to provide direct percentages of their institutional resources to grants for needy students. In 1972-73, the predominantly white private colleges spent 77.9% more in aid grants than revenues that were specifically obtained for this purpose from governmental, endowment and private income. In that same year, UNCF colleges were able to spend only 31.3% more than they received for this purpose -- in spite of the fact that their students' financial aid needs were relatively greater.

Finally, cost of education payments would increase the stability of income revenues for the colleges, thus enhancing their ability to make long-range developmental plans and decreasing the amount of administrative time and other resources spent on securing support from private sources. If private contributions and other governmental appropriations are maintained at approximately the same magnitude as currently, those contributions and the Cost of Education Payments would virtually eliminate the major financial difficulties of the UNCF colleges, make them much more solvent, enhance their institutional viability, and increase their ability to better serve more students.

The Research Report is published by the Research Department of the United Negro College Fund, a consortium of forty-one private black colleges and universities. For information contact the Research Department, United Negro College Fund, Inc., 500 East 62nd Street, New York, New York 10021 — (212) 644-9612.

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